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As we should expect, there is here much that is superficial, inconclusive, and clearly one-sided. Mistakes in economic reasoning occur, as notably the tendency to ignore the Malthusian principle of population and the law of diminishing returns in agriculture. And yet, the general impression, even to the critical reader, is favorable. These publications are well written, their argument is on the whole sound and convincing, their wealth of practical testimony is most instructive, and their breadth of spirit and earnestness of purpose cannot fail to command respect.

As to the relation between land taxation and "tariff reform," the reader is time and again warned that England is facing the alternative of taxation of land values or the abandonment of her free trade policy.

All the writing is by no means on one side. Supporting the landlords we find the Land Union (St. Stephen's House, Westminster, London), representing those whose "interests, and too often means of livelihood, are in imminent danger from the land taxes imposed by Mr. Lloyd George." For example, *A Guide to Property Owners* (pamphlet of 31 pages) criticizes the land taxes and gives frank advice to land owners as to the best methods of evading the new taxes and making the Government's work of valuation as difficult and ineffective as possible. A legal edition of the *Budget* (162 pages) with introduction and full notes, written in an apparently hostile spirit, by W. H. Aggs, is published by Sweet and Maxwell (3, Chancery Lane, London).

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L'État Financier. Quelques Points de Vue. By LOUIS GAUTIER.
(Paris: Giard et Brière. 1910. Pp. 112. 2.50 fr.)

The author here brings together three essays previously published: "L'écueil des budgets," published in the *Revue générale d'Administration*, October, 1909; "La fonte des excédents budgétaires," in the same review, July, 1909; and "L'état banquier," published in the *Revue de Science et de Législation financières*, in the first number, for 1909. These essays in the above order are given new titles which are suggestive of the point of view: "Les prévisions," "La trésorerie," and "Les comptes." They are well worth preserving in this form.

The first essay offers a critical comparison of the series of budgets of France from 1896 to 1905 inclusive. While admitting

all the differences between the management of a private enterprise and that of public business, the author tests the results of the fiscal policy of France by comparing them, wherever such a comparison is proper, with what private enterprise would presumably have done. When making the budget "one is always anxious," he says, "to make it balance." In fact the accumulated surpluses of the ten budgets studied would, if each budget had worked out as planned, have amounted to over two million francs at the end of the ten years. But as the actual expenses exceeded the budget allowances in every year by amounts ranging approximately from two millions to nearly sixty-six millions, the total expenditure for the ten years exceeded the estimated revenues by 305,000,000 francs. This was partly covered by unanticipated revenues or by borrowings, so that the actual deficit was reduced to 54,000,000 francs. But by giving itself credit for the unexpected balances of extraordinary resources, the government showed a series of surpluses which for the ten years exceeded the deficits by 215,000,000 francs. The author somewhat sarcastically remarks, "No private citizen would say: 'my general expenses were 200,000 francs; my gross receipts 190,000 francs; I drew on my capital for 15,000 francs, and then had a surplus of 5,000 francs.' He would admit a deficit of 10,000 francs."

The cause of this unfavorable result is not to be found in the revenues, for these generally came out better than was expected, but in the unanticipated growth of the expenses. The absolute figures for the expenditures not being considered suitable for his purposes, the author takes the percentages by which the actual expenditures exceeded or fell short of the estimates. Thus while the expenditures for the army exceeded the estimate by 268 million francs, during the ten years this was only 4 per cent of the original budget allowance. But the expenditures under the head of commerce and industry exceed the estimates by 95 millions, an increase of 25 per cent.

The following table is interesting as showing the actual excess of, or saving on, the original budget allowance:

Commerce and industry exceeded by 25 per cent.					
Foreign affairs	"	"	11	"	"
Colonies	"	"	6	"	"
Beaux arts	"	"	4	"	"
Army	"	"	4	"	"
Justice	"	"	2	"	"

Navy	exceeded by	2	per cent.
Post and telegraph	"	" 2	" "
Agriculture	"	" 0.05	" "
Finance	"	" 0.10	" "
Public instruction, did not reach by	0.10	"	"
Public works	"	" 0.30	" "
Interior	"	" 0.70	" "
Religion	"	" 2.00	" "
The entire expenditures exceed by	1.50	"	"

The increase for the army and navy is accounted for by war and the like, and hence could not be foreseen. In like manner the expense for relief from great disasters and for unexpected outbursts of patriotic feeling are excused. But the remaining increases, the author holds, might have been expected, and should have been allowed for in the budgets. The ministries have not been willing to face squarely the fact that new activities involve new expenses and must lead to heavier taxation.

The essay on the treasury as a bank urges a more banker-like use of surplus balances and a banker-like treatment of advances. It gives a very complete examination of the handling of the funds. It shows also one of the unforeseen sources of revenue above referred to. The last paragraph may be quoted as showing the point of view: "The state, then, runs a bank. Lucrative? Yes, since it shows a profit of a score of millions in 1906. Dangerous? Perhaps, if it were run as a private bank, but the state is sovereign and the probability is very great that it can meet its losses on the day they appear to be too heavy, by the use of notes which the taxpayers must meet."

The third essay deals with other phases of the subjects discussed in the first; in fact the first seems to be an enlargement of the third, the latter having been written earlier.

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NEW BOOKS

BLUM, L. *Die steuerliche Ausnutzung der Aktiengesellschaften in Deutschland.* (Stuttgart: J. G. Cotta Nachf. 1911. Pp. x, 187. 4 m.)

To be reviewed.

BRINDLEY, J. E. *History of taxation in Iowa.* Two volumes. (Iowa City: State Hist. Soc. 1911. Pp. xvii, 943; ix, 476. \$4.00.)

To be reviewed.